

## Wealth Markets and Commerce

Steel Interests  
And War Board in  
Complete Harmony  
Judge Gary States

Says There Will Be No  
Interference With Non-  
Essentials Except Where  
Absolutely Necessary

## Expects Early Report

Sub-Committee Investigates  
Needs, Production Capac-  
ity and Means of Dis-  
tribution

Branding as sensational reports of a possible disagreement between members of a joint committee of the War Industries Board and of the American Iron and Steel Institute over the government's steel requirements for war purposes, Judge Albert H. Gary, in his position as chairman of the general iron and steel committee of the institute, said yesterday that "there has been and is complete harmony between the War Industries Board and the entire steel fraternity concerning the production and distribution and prices of steel."

Judge Gary in the library of his fifth avenue home spoke freely of Friday's conference between the joint committee of the American Iron and Steel Institute and the War Industries Board. He said that the treatment of the steel industry by the board has always been fair and reasonable, and predicted that these conditions will continue. He added:

"The general committee of the American Iron and Steel Institute was requested to appear before the War Industries Board at Washington yesterday morning for the purpose of considering whether or not increased quantities of steel could be furnished for the military necessities of the government and its allies."

"Pursuant to that request the whole committee met the War Industries Board at 9:30 yesterday morning and remained in session until 1 o'clock. The War Industries Board presented figures received from various government departments as to their probable requirements of steel to cover the programmes which have been made for the remainder of the year and also from the Allies in Europe as to the quantities of steel which they might desire from this country."

"The War Industries Board also raised the question as to whether or not there should be a curtailment of the steel which was being furnished to lines of manufacture classed as non-essential or less essential for war purposes, and, if so, to what extent, it being the opinion that the usual channels of trade should not be interfered with unless and except when absolutely necessary in order to supply the full quantity essential for military necessities."

"The members of the committee expressed their willingness to do whatever appeared necessary after full ascertainment of the facts and figures applicable, and the War Industries Board stated that reliance would be placed upon the members of the steel industry for assistance in carrying to a practical effect the desire expressed by every one present to supply the government's needs. After full discussion and consideration of the questions presented it was decided to refer the subject matter to a sub-committee on distribution of steel heretofore appointed by the general committee of the institute and to certain members of the War Industries Board for further investigation, report and recommendation as to quantities needed, capacity to produce and the best methods of distribution."

"This joint committee was not finished its inquiry, but will report at an early date. There has been and is complete harmony between the War Industries Board and the entire steel fraternity concerning the production and distribution and prices of steel. The treatment of the steel industry by the War Industries Board has always been fair and reasonable, and steel men have endeavored to reciprocate to the fullest extent. These conditions will undoubtedly continue."

The members of the joint committee which has undertaken to learn steel war requirements of the United States and the Allies consists of James A. Farrell, H. G. Dalton, E. G. Grace, J. A. Topping and E. A. S. Clarke, representing the industry, and J. L. Rodgers, Alexander Legge and General Hugh Johnson, representing the War Industries Board.

## German Cotton To Be Sold

## Bachmann's Holdings Will Be

## Offered Here To-morrow

WASHINGTON, May 18.—The first government sale of enemy owned cotton will be held at the New York Cotton Exchange at 10 o'clock Monday morning. To the highest bidder will be 5,381 bales of cotton belonging to J. H. Bachmann, living in Germany. The cotton is at the American Dock Company, on Staten Island, and the New York Dock Company, at Brooklyn. It will be sold only to American citizens and the auction will be directed by the Alien Property Custodian's office.

## Finance - Economics

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It is related that three blind men, coming unexpectedly upon an elephant, fell to quarrelling as to what it was. One grasped a leg, and declared it was a tree; the second seized its tail, and stoutly maintained that it was only a stick, and the third, feeling its trunk, asserted it was a snake. Wall Street observers are like the blind men and the elephant in that they are hopelessly at variance as to the causes of the spurge in the stock market. One maintains that it is a "victory" market; another that people all at once discovered that prices and values were out of line, and promptly began to rectify the discrepancy by buying stocks; and still another that the market was "engineered" by big interests for reasons undisclosed, but presumably for the purpose of unloading stocks at higher prices, only to repurchase them at lower levels later on.

Which of these opinions, if any, is the right one, we do not pretend to know; but it may be that all the things mentioned played a part in the rapid creation of a speculative position larger than any existing since the process of market deflation began toward the end of 1916. Probably the movement had its inception in concerted buying by important financial interests; certainly it was not spontaneous development. It is regarded as significant that the banks, which had been restricting stock loans, for some reason apparently threw off restrictions and let the market have all the money it needed. And when that happened the market was in a position where comparatively little real buying exerted a controlling influence on prices, owing to the remarkably strong technical position that had been built up. Once started, the "victory" idea no doubt helped materially in giving the movement further impetus, and it is also certain that realization that values were out of line with prices contributed to the advances in some cases. These factors, however, in the main were responsible only for the initial impulses of what appeared in the beginning to be a moderate and well justified advance, but which expanded with incredible swiftness into an orgy of speculation. The thing was carried to absurd lengths until Thursday. Stocks were put up rapidly, under pool operations, on the wildest rumors. One issue advanced 15 points on reports of a merger that were quickly denied, and held nearly half of the gain. Another made an advance nearly as sensational for no particular reason other than that traders were willing to buy anything that showed signs of moving. And some issues that might have consistently enjoyed an advance on real merit were almost neglected.

The rise in the last three weeks has brought the average of thirty representative industrial stocks up to within five points of the level at which it stood a year ago. That is a remarkable recovery when it is considered that meanwhile all the corporations have been subjected to enormous tax levies, and many of them to price fixing and other regulations undreamed of when we entered the war. The extent of the gains from the low prices of 1917 and from the prices prevailing on April 27 are shown in the following table:

Price April Current	Low, 27, rent
1917, 1918, price	
American Can.....	29 1/2 44 1/2 48 1/2
Amalgamated Copper.....	51 1/2 63 1/2 68 1/2
American Locomotive.....	46 1/2 64 1/2 67 1/2
Atchafalpa.....	75 83 85 1/2
Baldwin Locomotive.....	43 80 93 1/2
Best Steel.....	60 66 79 1/2
Baltimore & Ohio.....	38 1/2 51 1/2 54 1/2
Cuicible Steel.....	45 1/2 55 1/2 58 1/2
Cheapeake & Ohio.....	41 1/2 55 1/2 58 1/2
General Motors.....	74 1/2 117 124 1/2
Marine Petroleum.....	62 1/2 86 1/2 103 1/2
Mexican Petroleum.....	67 1/2 93 1/2 99 1/2
Norfolk & Western.....	92 1/2 103 1/2 105 1/2
Pennsylvania R. R.....	40 1/2 44 1/2 44 1/2
Republic Steel.....	60 80 90
Reading R. R.....	60 81 88
Southern Pacific R. R.....	75 1/2 82 1/2 85 1/2
Union Pacific R. R.....	100 119 124 1/2
U. S. Rubber.....	45 57 58 1/2
U. S. Steel.....	79 1/2 95 1/2 110 1/2
Utah Copper.....	70 74 79 1/2

It will be noted that a substantial part of the recovery has come in the last three weeks. The advance has been even more precipitate than the decline. That is why so many brokers say that the market has been going too fast.

## Money and Credit

Loans and discounts of the local banks contracted \$19,295,000 last week to \$4,679,426,000, according to yesterday's Clearing House statement, while surplus reserves decreased \$10,696,000 to \$46,199,540. United States government deposits decreased about \$16,000,000, standing at \$514,178,000, at the close of the week.

The Federal Reserve Bank of New York reported a decrease of approximately \$80,000,000 in the gold settlement fund, due to the movement of funds to

value—that is, if you were buying dollars with pounds, marks or francs—its value at the close of last week, as compared with a year ago, would be about as follows:

Cost of one dollar—	Yesterday.	Year ago.
In English money.....	\$1.02	\$1.02
In French money.....	1.10	1.10
In Dutch money.....	.75	.75
In Swiss money.....	.80	.80
In Swedish money.....	.85	.85
In Russian money.....	1.76	1.76
In Italian money.....	.71	.71
In Spanish money.....	.88	.88

Closing rates yesterday, compared with a week ago, follow:

(Quoted dollars to the pound.)	Yesterday.	Week ago.
Sterling, demand.....	\$4.75 1/2	\$4.75 1/2
Sterling, sixty days.....	4.72	4.72
Sterling, cables.....	4.76 1/2	4.76 1/2
Sterling, ninety days.....	4.70	4.70
(Quoted units to the dollar.)	Yesterday.	Week ago.
Francs, checks.....	5.71 1/2	5.71 1/2
Francs, cables.....	5.69 1/2	5.69 1/2
Lire, checks.....	9.04 1/2	9.04 1/2
Lire, cables.....	9.03	9.03
Swiss, checks.....	4.16	4.16
Swiss, cables.....	3.80	4.13
(Quoted cents to the unit.)	Yesterday.	Week ago.
Guillemes, checks.....	50	48 1/2
Guillemes, cables.....	51 1/2	48 1/2
Rubles, cables.....	13.25	13.25
Stockholm, kr., checks.....	34.50	33.50
Copenhagen, kr., checks.....	31.75	30.75
Pesetas, checks.....	28.00	27.70

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

Current exchange value.	Intrinsic value.
Pounds, sterling.....	\$4.75 1/2 \$4.86 1/2
Francs.....	0.17 1/4 0.19 1/2
Guillemes.....	0.050 0.040
Rubles.....	0.13 25 0.51 2
Lire, checks.....	0.11 25 0.19 3
Crowns (Denmark).....	0.31 75 0.26 8
Crowns (Sweden).....	0.34 50 0.26 8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, \$4.75. The intrinsic parity is \$4.86 1/2 per pound. That you say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars is greater than the supply in this country for pounds with which to settle accounts in England.

Loan Subscriptions  
Reach \$1,114,930,700

## Bond Issue Division Announces Complete Returns for This District

Complete figures on the part the New York Federal Reserve District took in the third Liberty Loan drive have been delivered yesterday. The grand total in the district, as reported by the bond issue division of the Federal Reserve Bank, reached \$1,114,930,700. Already \$812,480,000 has been paid, and \$438,353,150 of bonds have been delivered. Thus far 1,987,024 have been delivered to subscribers in this district, and of these 1,079,399 were in \$50 denominations. Cash subscriptions amounted to \$144,151,850, and subscriptions on the government plan, on which 5 per cent has been paid through the banks, amounted to \$967,237,150, and those that went through individuals, \$8,541,700.

Of the money that has been paid to the government toward the new bonds, \$120,297,000 was through conversion of indebtedness, \$545,746,980 through advance of credit and \$86,445,923 through check.

Of the deliveries outside of the baby bonds, 60,677 were of the \$100 denomination, 73,848 of the \$500 denomination, 217,042 of the \$1,000, 3,945 of the \$5,000 and 4,905 of the \$10,000.

## Relevant Comment

## Marine Shares Mount Higher

International Mercantile Marine shares yesterday continued the sensational advance begun Friday, following announcement by P. A. S. Franklin, president of the company, that satisfactory progress was being made in the negotiations for taking over the Cunard line and the other shipping companies of the British Empire. The preferred stock, which was a gain of 5 points in Friday's trading, jumped 4 points higher today, to \$97 1/2, and the common stock, which was a gain of 2 1/2 points, ended the session at 30 1/2, up 1 1/2.

## What Is Stock Worth?

With the absence of official information concerning the character of the latest offer by British interests to take over the International Mercantile Marine Company's English tonnage speculation is no less in Wall Street over the possible benefits to the stockholders if the deal is put over. Some optimists have gone so far as to predict that the preferred stock should be quoted at \$125 to \$140 a share under the plan. These same people are not so sanguine as to what the common stock holders would get. All agree, however, that the outstanding per cent bonds would be retired at 110, the call price. It would not be surprising to see the old fight between the common and preferred shareholders revived before the present negotiations have gone very far.

## News Digest

## Foreign

Paris Bourse Bull.—PARIS, May 18.—Trading on the Bourse was dull today. The market was closed on Monday. Three per cent rentes were quoted at 87 1/2, and the 5 per cent rentes at 88 1/2. The 4 1/2 per cent rentes were quoted at 87 1/2, and the 5 per cent rentes at 88 1/2.

## New York

Morgan, Trenchard & Co. Schedules.—A schedule of the assets and liabilities of Morgan, Trenchard & Co., members of the Stock Exchange, filed in the United States District Court, shows liabilities of \$300,641 and assets of \$379,140. The firm made an assignment on April 8 and was subsequently put in bankruptcy.

## Australian Trade Rules.—The official representative in New York of the Department of Trade and Customs of the Commonwealth of Australia announced yesterday that he has received word from the Controller General of Customs for Australia to the effect that compliance with the order requiring the domestic (United States) value of the goods at the date of invoice to be shown on the

## Federal Reserve Banks

WASHINGTON, May 18.—A pronounced liquidating movement developed this week among Federal Reserve banks, bills on hand dropping from \$1,225,000,000 to \$1,122,000,000. Gold reserves increased \$11,000,000.

RESOURCES	May 3.	May 10.
Gold coin certificates in vault.....	\$478,529,000	\$480,580,000
Gold settlement fund (F. R. Board).....	418,337,000	437,444,000
Gold with foreign agencies.....	52,500,000	52,500,000

Total gold held by banks.....	\$950,366,000	\$970,524,000
Gold with Federal Reserve agents.....	\$915,536,000	\$885,027,000
Gold redemption fund.....	28,502,000	27,584,000

Total gold reserves.....	\$1,894,404,000	\$1,883,135,000
Legal tender notes, silver, etc.....	58,308,000	59,365,000

Total reserves.....	\$1,952,712,000	\$1,942,500,000
Bills discounted—members.....	\$842,265,000	939,041,000
Bills bought in open market.....	279,886,000	286,036,000

Total bills on hand.....	\$1,122,151,000	\$1,225,077,000
United States government long term securities.....	\$41,041,000	40,116,000
United States government short term securities.....	73,043,000	106,762,000
All other earning assets.....	1,492,000	1,844,000

Total earning assets.....	\$1,237,727,000	\$1,373,799,000
Due from Federal Reserve banks—net.....	1,882,000	6,494,000
Uncollected items.....	384,391,000	462,220,000

Total deductions from gross deposits.....	\$382,509,000	\$455,726,000
Five per cent redemption fund against Federal Reserve Bank notes.....	530,000	404,000
All other resources.....	77,000	66,000

Total resources.....	\$3,573,555,000	\$3,772,495,000
Capital paid in.....	\$75,315,000	\$75,116,000
Surplus.....	1,134,000	1,134,000
Government deposits.....	48,753,000	138,529,000
Due to member banks—Reserve account.....	1,461,138,000	1,548,137,000
Collection items.....	282,475,000	309,774,000
Other deposits, including for gov't credits.....	114,596,000	101,811,000

Total gross deposits.....	\$1,906,962,000	\$2,107,050,000
Federal Reserve notes in actual circulation.....	1,569,445,000	1,569,618,000
net liability.....	7,787,000	7,870,000
All other liabilities.....	12,821,000	11,697,000

Total liabilities.....	\$3,573,855,000	\$3,772,495,000
Ratio of gold reserves to net deposit and Federal Reserve note liabilities combined, 61.2 per cent. Week before, 58.5 per cent.		
Ratio of total reserves to net deposit and Federal Reserve note liabilities combined, 63.1 per cent. Week before, 60.3 per cent.		

LIABILITIES	May 17.	May 10.
Gold coin certificates.....	\$33,333,000	\$33,333,000
Gold settlement fund.....	348,266,928	348,266,928
Gold in vaults.....	18,112,500	18,112,500
Gold with foreign agencies.....	260,338,530	260,338,530

Total gold reserve.....	\$666,053,958	\$693,022,191
Legal tender notes, silver certificates and subsidiary coin.....	42,865,489	42,865,489
Total reserve.....	\$708,919,448	\$735,903,004
Bills discounted and bought.....	368,713,833	450,020,852
Acceptances.....	130,435,543	126,650,038

Totals.....	\$499,152,376	\$576,673,891
Investments.....	43,810,650	78,812,750
U. S. certificates of indebtedness purchased from the banks with agreement to repurchase in fifteen days.....	1,240,000	100,000
Totals.....	\$48,050,650	\$78,912,750
Due from other F. R. banks (net).....	427,267	

Total resources.....	\$1,253,549,742	\$1,391,489,645
Capital.....	\$19,754,150	\$19,736,300
Member banks' deposits (net).....	613,599,077	656,828,078
Non-member banks' deposits (net).....	4,307,987	5,061,959
Government deposits.....	2,074,722	33,028,921
Due to other Federal Reserve banks (net).....	507,827,245	511,004,940
Federal Reserve notes (net).....	99,828,458	97,503,983
Foreign government accounts.....	6,168,101	5,868,899

Total liabilities.....	\$1,253,549,742	\$1,391,489,645
Federal Reserve notes outstanding.....	565,212,585	569,048,190
Against which there is deposited with Federal Reserve agent.....		
Gold and lawful money.....	247,838,530	248,154,135
Commercial paper.....	499,152,376	576,673,891

invoice and declared to in the proper form will be strictly enforced in respect to all shipments of goods to Australia dutiable at ad valorem rates invoiced after June 30 next.

Poulsen Wireless.—The corporation has called for payment at 110 and accrued interest until July 1 their 5 per cent bonds, due 1920, amounting to \$800,000, according to an announcement made yesterday by McDonnell & Co.

Dividends

T. H. Symington Company.—An extra dividend of 2 per cent on account of accumulated dividends on the preferred stock has been declared. In addition to the regular quarterly dividend of 2 per cent on the preferred stock, both payable May 15.

Regular Declarations

Copper Range Company.—Quarterly dividend of \$1.50 per share payable June 15 to stockholders of record May 22.

Langston Machine Company.—Quarterly dividend of 1 1/2 per cent, payable May 15 to stockholders of record May 22.

Nash Motors Company.—Dividend of \$15 per share on the common stock, payable May 31 to stockholders of record May 20.

Quivira Flour Mills Company.—Quarterly dividend of 1 1/2 per cent on the preferred stock, payable June 1 to stockholders of record May 20.

Republic Rubber Corporation.—Quarterly dividend of 1 1/2 per cent on the preferred stock, payable June 1 to stockholders of record May 20.

United Paperboard Company.—Quarterly dividend of 1 1/2 per cent on the preferred stock, payable July 15 to stockholders of record July 1.

Japanese Banks Expand

New Law Makes Possible Extension Into New Fields

The bill providing for an alteration of the regulations governing the operations of special or semi-official banks having been passed by the Japanese Diet, the Nippon Kogyo Ginko (Japan Enterprise Bank), Bank of Corea and the Bank of Formosa are considering steps to extend their operations. The Kogyo Ginko will establish a branch in Kobe and add a new director to the management, with the object of inaugurating the business of financing shipping interests. The bank will pay particular attention to investments in China, and is making arrangements to open a Chinese bank. Debentures issued by the Kogyo Ginko to absorb capital for investment abroad are to be regarded by the Bank of Japan as being on a footing with national bonds, and thus every facility will be afforded for the operations of the Kogyo Ginko. As to the Bank of Formosa and the Bank of Corea, the alteration in the regulations relates to the issue of notes and the gold reserve, and not to the extension of operations. Both banks, however, contemplate extending their business abroad. The Bank of Corea will shortly make a call on its unpaid capital, amounting to 5,000,000 yen (\$2,492,500). It has recently been devoting increased attention to exchange business in China, and further to extend its operation in this direction, preparations are being made to establish a branch either in London or New York. The Bank of Formosa is already operating in South China and the South Seas, and now contemplates extending operations to French Indo-China, for which some officials of the bank are already making the necessary arrangements in that part of the world. It is expected in the near future that the capital of the Bank of Formosa will be doubled to 40,000,000 yen (\$19,940,000).

Elections

Lewis E. Waring has been elected vice-president of the Wharton & Northrup Corporation, succeeding Harry F. Enay, chief counsel for the company and for the Wharton Steel Company.

C. A. Hunter, jr., has been appointed sales manager of the investment securities department of J. B. Harris & Co.

## ANNOUNCEMENT

ON AND AFTER JUNE 1, 1918  
THE NAME OF

## The German American Bank

## The Continental Bank

Member Federal Reserve System and N. Y. Clearing House Association  
Capital \$1,000,000. Surplus and Undivided Profits \$600,000.

Market Barometers

Stock Exchange Transactions

Stocks

Yield

January 1 to date:

1918.....